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C O N F I D E N T I A L SECTION 01 OF 02 MADRID 001036

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SUBJECT: UPDATE FOR SECRETARY'S VISIT TO MADRID - BOTH  
PARTIES CLAIM VICTORY IN SPANISH REGIONAL ELECTIONS AND  
POSITION FOR NATIONALS

REF: A. MADRID 1002

[1](#)B. MADRID 1021

MADRID 00001036 001.2 OF 002

Classified By: DCM HUGO LLORENS FOR REASONS 1.4 (B) AND (D)

[1](#)1. (C) You are arriving in Spain just after the May 27 regional and local elections, the results of which have provided a mixed bag allowing each of Spain's main political parties to claim victory. The elections did not radically alter Spain's political map, but Mariano Rajoy's Popular Party (PP) won the overall vote by a slim margin and greatly strengthened its support in the city and region of Madrid, and the Spanish Socialist Workers Party (PSOE) of President Zapatero made gains in key PP strongholds that they may be able to control if they can successfully form pacts with smaller parties. In your meetings with both Zapatero and Rajoy, you will hear each trumpet their party's "victory" in the elections and how each is now in a stronger position going into national elections that must be held by March [1](#)2008. While we believe that these election results could potentially provide each party with momentum going into national elections, we have not seen any major change in Spain's political landscape that would provide insight into either party's relative strength on the national level. While support for Zapatero has diminished since its peak after the March 2004 elections, Rajoy has not been able to capitalize and his ratings remain low and are falling.

[1](#)2. (SBU) The preliminary results of Spain's May 27 regional and local elections suggest that both the PSOE and PP will retain control of most regional governments in which they were the incumbent. As predicted in REFTEL A, the PSOE made gains in the PP-controlled regions of Navarra and the Balearic Islands and will now try to form coalitions with smaller parties that would shift the balance of power. The PSOE won a plurality of the vote in the Canary Islands, but the PP may be able to control that region if it can form a pact with the Canaries Coalition, the party that came in second. The PP won resounding victories in the key races for Madrid city and region that helped the party win the nationwide vote over the PSOE by a slim margin of 35.64 percent to 34.94 percent. Overall voter turnout was notably lower than in the last nationwide local elections in 2003, and Spanish pundits believe many Socialist voters stayed home; generally, lower voter turnout in Spanish elections favors the conservatives. The PP is highlighting the fact that it got more votes in municipal elections across Spain and a larger number of mayoral slots, while the PSOE counters that it won a larger number of council seats and that it will

govern in twelve new provincial capitals.

13. (C) COMMENT. We see the results of these elections as a technical tie, although with potential areas on which each side could capitalize. It should be noted that a technical tie represents a moral victory for the PP, as the PSOE was clearly unable to mobilize its base. The PP was able to reverse a string of local and national electoral defeats dating back to 2000, and as usual the party was skillful in turning out its own base. The PSOE may well end up controlling governments in the PP strongholds of Navarra and the Balearic Islands, but at a potential cost down the road if they are unable to govern with unwieldy coalitions of leftist parties. President Zapatero made these elections a referendum on his leadership, and the results can only be seen as disappointing. However, the PP's numbers would not be enough to win at the national level, as their current inability and unwillingness to pursue coalitions with smaller parties require that the PP win the overall national vote by a much larger margin than the PSOE. PP leader Mariano Rajoy is clearly feeling his oats and described these elections results as a "prelude" to the general election. It is also important to keep in mind that the high-profile national issues that dominate Spanish headlines (such as the Zapatero government's controversial policy of negotiations with the terrorist group ETA or the continued controversy over Spain's involvement in the Iraq war under the previous Aznar government) played a role only in some local races, and were virtually absent from most other local and regional campaigns. It will therefore be difficult to extrapolate this election's outcome to predict the result of national elections. With potentially as many as 10 months remaining until the Spanish again go to the polls (assuming Zapatero does not call early elections), it is far too early to put any stock in the political rhetoric you will hear in your meetings with both leaders. The Spanish political scene is highly volatile and likely will remain so leading up to and during the national campaign.

MADRID 00001036 002.2 OF 002

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